

## **FISCAL NOTE**

### **SB 2677 – HB 3603**

February 24, 2008

**SUMMARY OF BILL:** Requires higher education institutions with medical schools to disclose to the Commissioner of Health annually any contractual relationship or other economic benefit made by any pharmaceutical manufacturing company, medical equipment company, or company dealing with prosthetic and orthotic devices to the medical school, medical school faculty, any administrator of the medical school, or to the immediate family of such faculty member or administrator. Upon request by the Commissioner of Health, the Attorney General will bring action against persons or institutions for noncompliance.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$23,400/One-Time  
\$219,500/Recurring**

##### Assumptions:

- According to the Department of Health, one additional position in the Department would be required to maintain records of every payment, gift, or other financial benefit given to a medical school, member of the faculty or administration, or close relative of a member of the faculty or administration by a pharmaceutical company or medical device manufacturer and to compile such data into a mass disclosure.
- Requires the Department of Health to develop a series of forms on which medical schools, faculty, and staff must report such information.
- Recurring costs for one additional position in the Department of Health is estimated to be \$97,900 (\$83,900 for salary and benefits and related costs of \$14,000). One-time costs are estimated to be \$24,300 (\$1,600 in computer costs, \$2,700 for office landscape, and \$20,000 for data collection tool development).
- According to the Attorney General, passage of the bill will necessitate the employment of one additional attorney to bring enforcement actions against institutions and persons violating the disclosure provisions set out by the bill. Recurring costs for one additional attorney position in the Attorney General's Office is estimated to be \$121,600 for salary and benefits and related costs.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

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